



ECONOMIC DEVELOPMENT OFFICE



NEWS FOR IMMEDIATE RELEASE

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Delaware Leads Nation in Manufacturing Jobs Supported by Foreign Affiliates

BEA figures reflect state's proactive stance, business-friendly environment

According to the latest figures released by the Bureau of Economic Analysis (BEA), Delaware boasts the nation's highest percentage of manufacturing jobs supported by foreign affiliates, at 24.3 percent. This figure is more than double the national average of 11.5 percent.

In all job categories, the state is tied for fourth nationally at 7.3 percent.

Delaware's pro-business environment and continued solid positioning in the global economy are key components of Governor Ruth Ann Minner's New Economy Initiative, a \$46 million stimulus package crafted in 2004 that leverages state and federal funds in order to diversify and fortify businesses across the state.

"We are extremely gratified to see these numbers reflecting Delaware's commitment to being a major player in world markets," comments Gov. Minner. "International firms, both large and small, are taking advantage of our predictable tax structure, world-class legal system, skilled workforce and strategic East Coast location.

"In addition, I am pleased to announce that all three of the major rating agencies have once again reaffirmed Delaware's triple-A rating, which reflects our leadership in fiscal management."

Delaware is historically strong in three of the business sectors where foreign affiliates produce the highest national employment shares: motor vehicles (24.8 percent), chemicals (28.3 percent) and electrical equipment, appliances and components (19.4 percent).

Among the well-known foreign companies operating in Delaware are pharmaceutical giant Astra Zeneca (England); chemicals companies Ciba-Geigy (Switzerland) and Uniqema (England); imaging innovators Fujifilm USA (Japan); financial-services provider ING Direct (Netherlands); and automotive firms Daimler Chrysler and Volkswagen of America (Germany).

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In 2003, foreign-controlled companies employed 26,500 Delaware workers, with more than a third of these jobs coming from the manufacturing sector. These figures exclude employment in banks affiliated with foreign companies.

Foreign investments are increasingly vital to the U.S. trade economy, with a significant portion generated by cross-border investment linkages. Foreign-owned U.S. operations accounted for 21 percent of U.S. exports in 2003 — bringing in \$150.8 billion.

Foreign-owned companies reinvested \$45 billion in profits back into the U.S. economy in 2004. The National Foundation for American Policy estimates that affiliates purchase 80 percent of their intermediate components from U.S. firms; spend \$30 billion on research and development; and invest over \$100 billion on plant and equipment annually in the United States.

Delaware has consistently maintained the strongest state economy in the region, with a climate that has remained robust in the face of national economic fluctuations. This can be largely attributed to stable fiscal policies, careful debt management, conservative spending programs and personal income-tax reductions.

The Delaware Office of Economic Development (DEDO) is committed to spurring business growth, attracting and expanding new and existing companies to Delaware, promoting the investment of private industry and creating sustainable wage jobs that significantly improve the quality of life for all Delawareans.

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